"My parents came to this country looking for a place where an honest day's work earns a fair wage, where their children could be safe and educated. That was their American dream -- not measured in dollars, but measured by the opportunity to build a better life for their family. I came to Washington to do everything I could to put that dream within reach of every American family."

Herb Kohl

Working Hard for Working Families

Max and Mary Kohl came to the United States in the 1920s with nothing but hope. "They built more than a business," remembers Senator Kohl of his parents. "They built a strong family. No matter how tough times got, they never let us forget the values of compassion, education, and hard work. And they succeeded – we all did – because of those values."

From his first days in office, Kohl carried with him, not only his parents' values, but also their hope – their hope that America could be a place where any family who worked hard and gave back could make it. Kohl's belief in Max and Mary Kohl's America lies behind his 24 years working to reform the welfare system so it rewards work; build a national system of quality child care so parents don't have to choose between a job and the wellbeing of their children; and promote a tax code that lets low and middle income families keep more of what they earn.

Welfare Reform

On February 4, 1994, Senator Kohl took to the Senate floor to denounce the federal welfare system. Though not an expert in social policy – as were many involved in the welfare reform debates of the 1990s – Kohl's experience in the private sector convinced him that what families needed to thrive were not handouts, but jobs. "Our welfare system is in crisis," he warned, "[it] discourages work, discourages marriage, and discourages responsible choices about parenthood…Under the current welfare system, the federal government pays people to reject the values of work and family that have made this nation strong."

In May of that same year, Kohl returned to the floor, this time accompanied by Republican Senator Chuck Grassley, to propose a radical solution: abolish the current welfare system and send the money to the states in the form of block grants.

“Economic circumstances and people in Kenosha, WI are different from those in Ottumwa, IA. Portland, ME, is not San Diego, CA,” said Kohl, introducing S.2057, the Welfare to Work Act of 1994.

“A one-size-fits-all welfare plan designed in Washington cannot work for all these communities….it is time to face the fact that the answer to something as hard as helping people get work is not going to be developed in Washington--the many answers we need are going to come from communities throughout this country. State and local governments have been pleading for flexibility to design programs that work--it is time to get out of their way.”

Many considered Kohl’s proposal to take the federal government out of the business of welfare heresy – especially fellow Democrats serving on Majority Leader George Mitchell’s Welfare Reform Task Force with Kohl. But he based his legislation on the innovative state, local, and private programs he had seen already making real differences in families lives in Wisconsin.

After studying our current Federal welfare program and looking at several proposals to reform it, I have come to several conclusions that I would like to share.

First, Washington's welfare system doesn't work... We have set up a cash grant program that tells young women--don't work, don't marry, have children, and you will get support. Work, marry, plan your family for when you can afford to support them, and we will leave you out in the cold--in fact, we will take your tax money to support those who have decided not to work.

Second, work is what works, handouts don't...What we should be doing is making it easier to prepare for and enter the workplace. Welfare should be used to bring low-income mothers into the work force--it should not pay them to stay out.

Third, the real answer to welfare reform will not be found inside the Beltway, it is in our own backyards… We are a diverse country with diverse economic conditions and opportunities. Therefore, we cannot design a system that suits Madison as well as Miami.

These conclusions have led me to begin a welfare reform proposal that rejects the Washington-based current system ; one that encourages work over welfare ; and one that takes a lead from the innovative programs being developed in States and cities across our country.

I will propose that we eliminate the current welfare system … In its place, I will be encouraging the creation of a Workfare Block Grant … States would use block grant money to create and implement their own work programs [and create] State systems that encourage people to work and give them the skills and experience to do so.

Senator Herb Kohl, “Our Current Welfare System,” *Congressional Record* (February 4, 1994)

> *"My job is to drive a van for senior citizens who can't drive themselves. I got the job through Project New Hope…Herb Kohl is fighting to reform the welfare system, and I believe it is the right thing. The most important thing to me is that my children and grandchildren deserve a fair opportunity for a better life."*
>
> **Dallas O'Bryant**
> **Project New Hope participant**
> **1994**

Project New Hope

One such program was Project New Hope, which operated in Milwaukee between 1994 and 1998, and Senator Kohl supported it from his first days in office. New Hope offered low-income families a wage supplement and subsidies for child care and healthcare in exchange for working a minimum of 30 hours a week.

Speaking at the National Press Club in 2008, noted economist Greg J. Duncan, co-author of the report evaluating New Hope (*Higher Ground: New Hope for the Working Poor and Their Children*), reported that New Hope had lowered poverty rates for participating families by 16 percent, improvements that persisted after the program and earning supplemental ended. In addition, teachers noted that children from New Hope achieved more and behaved better in the classroom.

"This is a program that we know works," stated Duncan, "It really makes good on America's promise that 'if you work, you shouldn't be poor.'"

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

Declaring "the best antipoverty program is still a job," President Bill Clinton fulfilled his campaign promise to "end welfare as we know it," when he signed the Personal Responsibility and Work Opportunity Reconciliation Act on August 22, 1996. The legislation replaced the existing Aid to Families with Dependent Children with the Temporary Aid to Needy Families – a program that emphasized work, reduced the federal government's role, and gave states more autonomy in how they delivered welfare.

The final measure mirrored all of the main components of Senator Kohl's Welfare to Work Act first introduced in 1994 and reintroduced for the 104th Congress in 1995. Kohl praised the president's decision to sign the bill: "We owe it to low-income families of this country to end a welfare system that keeps them down rather than helps them up. We owe it to the taxpayers to spend their money in a way that strengthens their communities. We owe it to ourselves to be honest when we have failed – as we have with our current welfare system. And we owe it to this country to develop a welfare system that respects and encourages this nation's long-standing values of work and family."

Kohl stayed involved with welfare reform throughout the lengthy Congressional debate during the 104th Congress. He worked with Majority Leader Dole to remove from the final legislation a provision that would have ended Project New Hope two years early. He led the charge to stop the bill from dismantling the guarantee of food stamps for children, the elderly, and the severely disabled – thus signaling an interest in issues of hunger that would mark the rest of his career. And he worked on a successful amendment to increase funding for child care assistance to welfare recipients participating in state work programs.

He also vowed that the enactment of welfare reform was only the beginning of his involvement in helping low-income families move out of poverty and into jobs. In 2001, he joined with a bipartisan group of centrist Senators to introduce the Strengthening Working Families Act, a package of six bills addressing child care, child support, the Earned Income Tax Credit, the Social Services Block Grant, fatherhood initiatives, and child welfare services. Kohl authored two bills – on child care and child support -- of the six.

Child Care Funding

Even before the major welfare overhaul passed in 1996, Senator Kohl identified the availability of quality child care as a key to the health of working families. On passage of the bill in the Senate, Kohl stated: "At the very heart of the welfare debate is the government's responsibility to the impoverished children of this country. We cannot fail those children by ignoring the real need they have for protection and education while their parents work."

"You always made children a priority during your 24 years as a United States Senator."

Ken Taylor, Executive Director, Wisconsin Council on Children and Families, in a letter announcing Senator Kohl had won WCCF's Giraffe Award, honoring those who have "stuck their neck out for children" May 2012

Year after year, Kohl leveraged his position on the Senate Labor, Health, and Human Services Appropriations Subcommittee to win funding for quality child care. He spearheaded the drive to keep the Child Care Development Block Grant financially sound; he pushed the subcommittee to invest in Head Start and was one of the original champions of Early Head Start, a program for disadvantaged toddlers; and he authored the amendments that provide dedicated revenue streams for child care resource and referral services and for programs serving infants and toddlers.

In 1997, Kohl won approval of an amendment to the budget calling on Congress to direct funds toward "increasing the supply of quality child care, early childhood education, and teacher and parent training for children from birth through age 3."

Today, Kohl says of the effort: "At that point, we were just starting to understand the tremendous amount of learning and developing a child does between the ages of zero and three. I had always been an advocate for giving every child the best possible education, but I became convinced – and tried to convince my colleagues in the Senate – that that education had to start long before the first day of kindergarten."

The next year, Kohl worked with a group of moderates who shared his passion for early childhood education to offer another

… Scientific research on the development of the brain has confirmed that the early childhood years, particularly from birth to the age of 3, are critical to children's development.

… Studies repeatedly have shown that good quality child care helps children develop well, enter school ready to succeed, improve their skills, cognitive abilities...improve classroom learning behavior, and stay safe while their parents work. Further, quality early childhood programs can positively affect children's long-term success in school achievement, higher earnings as adults, decrease reliance on public assistance and decrease involvement with the criminal justice system.

…The first of the National Education Goals, endorsed by the Nation's governors, passed by Congress and signed into law by President Bush, stated that by the year 2000, every child should enter school ready to learn and that access to a high quality early childhood education program was integral to meeting this goal.

… According to data compiled by the RAND Corporation, while 90 percent of human brain growth occurs by the age of 3, public spending on children in that age range equals only 8 percent of spending on all children. A vast majority of public spending on children occurs after the brain has gone through its most dramatic changes, often to correct problems that should have been addressed during early childhood development.

… A new commitment to quality child care and early childhood education is a necessary response to the fact that children from birth to the age of 3 are spending more time in care away from their homes. Almost 60 percent of women in the workforce have children under the age of 3 requiring care.

From amendment no. 352 to the FY 1998 Senate Budget Resolution offered by Herb Kohl
May 21, 1997

amendment, this one to allow the Senate to consider a comprehensive child care plan for the entire country. When that amendment did not pass, Kohl withdrew his support for the budget.

He explained his vote: "How can we support a budget that does not at least allow Congress to consider the child care needs of our youngest children and our hardest working families? At a time when 60 percent of our preschool age children are regularly cared for by someone other than their parents, can we accept a budget that will not allow us to debate any proposals to increase the accessibility of decent child care? At a time when we are learning more each day about the importance of brain development in the earliest years of life, can we accept a budget that will not allow us to discuss creating more quality early education opportunities? At a time when the business world is waking up to the link between good child care and employee productivity, can we accept a budget that will not let Congress also explore how to help working parents work well?"

The setback was, however, only temporary. For the rest of his tenure, Kohl would continue to win funding for quality child care through the Appropriations Committee. And the Senate, then Congress, was on the verge of debating and enacting, Kohl's signature legislation on child care.

"I could run over on a lunch hour," said Mae Knowles, media relations specialist for Meriter hospital in Madison and mother of two who used the hospital's child care center. "It provided me with a feeling of security…I think employer-sponsored child care is more constant and consistent. You are not going to wake up tomorrow and find that it is closed."

"Kohl Pushes Employer Child Care Plan," Capital Times, April 6, 2001

The Child Care Infrastructure Act

Even before the 1996 welfare reform bill was signed, Senator Kohl was raising concerns that the nation's supply of quality child care was not sufficient to meet the demand the new law would create. In Wisconsin in 1996, 67 percent of women with children under six years old were already in the workforce, yet there was only one accredited child care center for every 2800 of these kids.

"Of course, government programs like the CCDBG were part of filling this gap," explains Kohl. "But to build a national child care infrastructure – one that would both make sure kids are safe and nurtured while their parents are at work and that workers are at their most

Johnson Wax Communications Manager Laurie Velicer said because she and her husband both work, having a trustworthy child-care center within the company…eases her concerns about her children's well-being. "I can leave them here and understand that I will be more productive at work."

"Kohl Seeks Child Care Help," Racine Journal Times, April 4, 1997

productive because they aren't worried about the welfare of their children – we had to get the business community involved."

On September 18, 1996, Senator Kohl introduced S. 2088, the Child Care Infrastructure Act of 1996. He told the Senate: "The 21st century economy will be one in which more of us are working, and more of us are trying to balance work and family. How well we adjust to that balance will determine how strong we are as an economy and as a nation of families. My legislation is an attempt to encourage businesses to play an active role in this deeply important transition."

He continued: "In the 1950's, federal, state, local governments, communities and businesses banded together to build a highway system that is the most impressive in the world. Those roads allowed our economy to flourish and our people to move safely and quickly to work. In the 1990's, we need the same sort of national, comprehensive effort to build safe and affordable child care for our children. As more and more parents--of all income levels--move into the work force, they need access to quality child care just as much as their parents needed quality highways to drive to work. And if we are successful--and I plan to be successful--in the 21st century excellent child care…will be as common as interstate highways."

Kohl's legislation offered a tax credit to businesses willing to build and run onsite child care facilities for their employees or to offer them child care resource and referral services. The Children's Defense Fund, the National Child Care Association, and the National Center for the Early Childhood Workforce all endorsed Kohl's legislation, and Working Mother and Parents Magazine ran features on it.

Thursday morning, Kohl visited the Johnson Wax Child Care Center with company Chairman Sam Johnson. Johnson said he thinks the proposal is a good idea. "It's incentive based, rather than mandatory."

"Kohl Seeks Child Care Help," Racine Journal Times April 4, 1997

Dennis Mueller, chairman of MRM Technology Group Inc., said his firm pays about 85 percent of the child care cost for 16 of its employees to take their children to the center. "Our help is a morale booster for our employees," Mueller said. "It helps us keep people in the company."

"Kohl Visits New Berlin Child Care Site,"
Milwaukee Journal Sentinel
January 6, 1998

The 104th Congress adjourned without taking action on the Child Care Infrastructure Act, but Kohl reintroduced it as S. 82 on January 7, 1997, the first day of the 105th Congress. Congress was at work on a major tax bill, the Taxpayer Relief Act of 1997. As the Senate took up the legislation in June, Kohl lobbied his colleagues to support his bill, coordinating almost daily with Treasury Secretary Robert Rubin.

Kohl's efforts paid off: In the highly partisan atmosphere of the Republican-led, "Contract with America" Congress, Kohl convinced six Republican senators to cosponsor S.82 and join him in offering it as an amendment to the tax bill. The amendment passed – the only amendment sponsored by a Democrat to pass either house of Congress during the debate on the Taxpayer Relief Act of 1997.

Unfortunately, the House of Representatives, led by Speaker Newt Gingrich, forced the Senate to drop S.82 during final negotiations on the tax bill. But in January 1998, the proposal won new life as President Bill Clinton included it, in almost identical form, in his child care initiative. First Lady Hilary Clinton visited Milwaukee to stump for the measure with Kohl.

Kohl reintroduced the Child Care Infrastructure Act in the 106th Congress (S.63) and the 107th Congress (S.99), but it was not until the spring and summer of 2001, when Congress took up President George W. Bush's tax cuts, that there was another opportunity to press for action on Kohl's proposal.

During these debates, Kohl led a group of 11 moderate Democrats willing to negotiate with the Republicans to ensure that the tax cuts contained provisions benefitting working families, including the Child Care Infrastructure Act. "The tax cut was going to happen," remembers Kohl. "We saw it as our job to

This is a golden opportunity for us to participate in the process of making sure our employees are happy," said Lars Johnson, who operates a famed restaurant and tourist destination, Al Johnson's Swedish Restaurant and Butik in Sister Bay. "If our employees are happy, we as employers benefit because the parents are better employees."

"Kohl Finds Support for Child Care Plan,"
Milwaukee Journal Sentinel
December 21, 1997

make sure that it didn't leave out the working families whose productivity fueled what was then a solid economy and rising budget surpluses."

The group was successful. When President Bush signed the Economic Growth and Tax Reconciliation Act of 2001, it included significant provisions to return tax dollars to low-income families, including a refundable child tax credit, marriage penalty relief, and Kohl's Child Care Infrastructure Act.

Since 2001, the tax credit Kohl's legislation created has provided businesses willing to invest in child care for their employees with approximately $15 million a year in tax relief – and has leveraged $60 million a year in private-sector spending on child care. Many advocates for children, families, and businesses have since recognized Kohl for his work on the credit, and in 2008, Working Mother magazine presented Kohl with their first "Best of Congress Award."

The credit was originally slated to expire at the end of 2010, but Kohl made sure it was extended for two years in the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010. In 2012, Kohl introduced legislation to extend the credit permanently.

"We don't yet have the child care system or the focus on early childhood development that our families and our economy need," remarks Kohl. "But we are much further along than we

These are hard times for America's working families, perhaps the hardest I have seen in my four terms in the Senate. Worries about finding or keeping a job, rising bills, soaring education costs, crashing housing markets – all snowball into unbearable stress on too many households. Then add to that the tragedy of the parent who finds the job she wants and needs, only to have to turn it down because she cannot also find care for her young children – or worse, to be forced to take the job and place her children in substandard, even dangerous care.

I originally introduced the Employer-Provided Dependent Care tax credit in 1996 …my bill was signed into law in 2001…

Even beyond the tax benefits (it provides), the businesses that provide child care reap measurable returns as their employees take fewer days off to deal with family issues and employee retention rates and job satisfaction increase. Bright Horizons, one of the nation's premier providers of onsite child care, surveyed a number of businesses with child care centers onsite and found that "the organizations realized $11,064,288 in cost savings from reduced turnover among center users, for an average of $615,000 per organization."

And as impressive as those numbers are, they pale in comparison to the immeasurable gift to a family of knowing that their children are safe, sound, and close-by while their mom or dad is at work -- the gift to a parent of not having to choose between putting food on the table and putting a child in danger. Now is not the time to add another stress to overstressed working families struggling to survive in a down economy. Now is the time to extend the Employer-Provided Dependent Care tax credit permanently.

Senator Herb Kohl, introducing legislation to extend the child care infrastructure tax credit permanently, July 24, 2012.

were in 1996. I like to think the Child Care Infrastructure Act was part of that – especially in the way it has made the government partners with business in trying to make more quality child care available."

Family Friendly Tax Policy

"Of course, the best child care options in the world aren't going to help a family if parents can't get a job that pays a decent wage," comments Senator Kohl. "That is why I always focused on income and tax policies that let families earn a fair salary and get to keep most of it – not send it off to Washington."

"I am not one of those politicians who will tell you that I am against all taxes – I'm not," continues Kohl. "My family did so well in this country that it is right and fair I should be asked to give back. But a family living paycheck to paycheck, trying to keep their kids healthy and get them educated? They are the ones who need and deserve tax breaks."

We need more people like Herb Kohl watching out for our families.

Carla Cohen
Milwaukee, WI
Senator Kohl's Report to the People of Wisconsin
2000

In 1997, Kohl supported the creation of the tax credit for middle income families with children and then, during the debate on the 2001 tax cuts, used his influence as a swing vote to make sure that credit was refundable for lower income families. And he argued for and saw passed a law that stopped the tax code from penalizing married couples.

Kohl defended and advocated for the Earned Income Tax Credit throughout his tenure. The credit, enacted in 1975, goes to low and middle income wage earners with an emphasis on families with children; if the credit exceeds a family's tax liability, they receive the excess as a refund.

At several points, Kohl fought the IRS's attempts to layer unnecessary bureaucratic requirements on the EITC. He also led the charge to increase and expand the credit and to defend it against Republican attacks. Speaking on the Senate floor against one such attempt in 1995, Kohl said:

“The budget before us today does not touch tax benefits for the wealthy and powerful. We all know that situation exists because the special interests that benefit from our current tax scheme have both the resources and ability to protect their advantages. On the other hand, Americans who rely on the EITC are too busy working--or worrying about their children’s' health or education--or struggling to make ends meet in these challenging and difficult times--to know that the Congress is about to hit them with a hidden tax increase. Because that is just what a reduction in the ETIC is--a tax increase.

Mr. President, the EITC provides a tangible economic incentive to lower income Americans to work for a living. In my own State of Wisconsin, 2,294,126 returns were filed for the 1993 tax year...The average refund in Wisconsin was $961.63. Now that might not sound like a lot of money to some people from other parts of the country--or even to some in this chamber. But make no mistake about it, to the Wisconsin taxpayers who qualified for those refunds, they made the difference between work and welfare; between hard work and a hand-out; and between self-worth and self-doubt.”